

SECRETARY'S ENVIRONMENTAL ASSESSMENT REPORT FOR A COASTAL ZONE ACT PERMIT APPLICATION

Re: Techmer Engineered Solutions, LLC

June 2015

Introduction

As required by the "Regulations Governing Delaware's Coastal Zone" (Section 8.3.4) dated May 11, 1999, and amended October 1, 2001, the Secretary is required to make an environmental assessment of the impact(s) of the project on the Coastal Zone of Delaware. This is done by evaluating the project's likely impact on the statutory and regulatory criteria and making a preliminary determination of the sufficiency of the Offset Proposal. The following is such an environmental assessment of the proposed project described in an application for a Coastal Zone Act (CZA) Permit, received from Techmer Engineered Solutions, LLC ("Techmer").

The fact that DNREC considers an application to be preliminarily, administratively complete does not constitute the Department's position as to whether the application should be approved or denied. That decision will not be made until after the public hearing. The purpose of the Secretary's written assessment is to assist the applicant and the public to focus on issues presented in the application. It constitutes an administrative determination that the application is sufficient to proceed to a public hearing. In addition, should the Department eventually issue the CZA Permit, it does not automatically guarantee the applicant will receive other required permits.

The Proposed Project

Techmer Engineered Solutions LLC (Techmer), a formulator/compounded plastic resin production company, intends to lease the vacant portion ($\pm 85,000$ ft²) of an existing 121,246 ft² steel and masonry commercial structure located at 1600 Johnson Way, Centerpoint Business Complex, New Castle, Delaware. The proposed project will consist primarily of retrofitting the space to accommodate the extrusion process to manufacture uniform, compounded, engineering plastic pellets. The proposed manufacturing process uses electrically-heated extruder lines to blend melted raw materials, (thermoplastic resins and additives), which are extruded in strands and chopped into pelletized plastics produced per customer specifications. The final plastic product is composed of 75% non-hazardous engineered polymers and 25% non-hazardous organic and inorganic pigments, plastic stabilizers, and product specific enhancers.

Environmental Assessment

The data in the table below denotes the expected air emissions for the proposed project as based on current similar operating process lines at the Techmer Aston (PA) facility. Techmer estimates an eventual maximum total emission output of 5.5 tons/year (combined VOCs and PMs) from anticipated future growth.

Pollutant	Existing Emissions		Net Increase/Decrease		New Total Emissions		Percent Change (compare tons/year)
	<i>Lbs./day</i>	<i>Tons/year</i>	<i>Lbs./day</i>	<i>Tons/year</i>	<i>Lbs./day</i>	<i>Tons/year</i>	
VOC	0	0	9.25	1.69	9.25	1.69	100%
PM	0	0	0.96	0.175	0.96	0.175	100%

In addition, solid waste consisting of plastic resin purging, packaging materials, floor sweepings, and household-type waste will be generated; this solid waste will be disposed of through a licensed disposal company. A stream of contact cooling water that produces relatively small amounts (± 165 gal/quarter) of non-hazardous oily sludge will be containerized in drums and removed off-site by Gemini Services or a similarly authorized contractor. No other environmental impacts are anticipated.

Techmer has estimated that ± 25 contractors will be temporarily hired in order to retrofit the interior of the existing building. Techmer also estimated that ± 75 full-time employees will be hired to work on-site once the facility is fully operational.

There will be no new supporting facilities and services required to support the proposed project.

Effects on neighboring uses will be minimal, as the proposed facility will be located in an existing business park.

The proposed facility and operation is consistent with the City of New Castle's Comprehensive Plan.

Offset Proposal

The applicant has obtained eight (8) Emission Reduction Credits (four (4) ozone season and four (4) non-ozone season) from the Delaware Economic Development Office as their offset; please see letter from DEDO, dated May 29, 2015, attached. These offsets will cover the applicant's start-up emissions as well as future emissions from projected growth of the facility.

Sufficiency Statement and Conclusion

This application for a CZA Permit, including supplemental information, has been reviewed by the Department to determine its completeness. After a thorough review of the company's application and file, the Department considers this application to be administratively complete and sufficient for proceeding to public hearing.

Approved:



David S. Small
Secretary

Date:

June 25, 2015



**STATE OF DELAWARE
EXECUTIVE DEPARTMENT
DELAWARE ECONOMIC DEVELOPMENT OFFICE**

Alan B. Levin
Director

May 29, 2015

Mr. Tom Drye
Managing Director
Techmer Engineered Solutions
1 Quality Circle
Clinton, TN 37716

Dear Mr. Drye:

By this letter, the Delaware Economic Development Office (DEDO) grants to Techmer Engineered Solutions (TES) 8 Emission Reduction Credits (ERCs) necessary as required offsets for the issuance of a Delaware Coastal Zone permit allowing the operation of extruder lines to manufacture uniform, compounded, engineering plastic pellets at TES's facility under the terms and conditions listed below.

- 1) The credits granted are for eight (8) VOC credits (four (4) ozone season and four (4) non-ozone season) currently held in the DEDO credit bank; and,
- 2) The credits are granted when the following conditions are met.
 - DEDO receives a copy of this letter signed by an authorized officer of TES acknowledging and accepting these terms and conditions.
 - TES submits a \$500 application fee to DEDO prior to June 30, 2015.
 - TES commences full operation of its New Castle, DE facility to manufacture uniform, compounded, engineering plastic pellets on or before December 31, 2016. Should operations not commence by that date, DEDO reserves the right to rescind this award and return the credits to the credit bank.
 - TES agrees that they will employ a minimum of 60 full-time employees in the operation of facility on or before December 31, 2016.
 - TES will be required to certify the new jobs created and total employment on an annual basis beginning on January 1, 2016 and continuing through December 31, 2019. TES shall certify,

99 KINGS HIGHWAY
DOVER, DELAWARE 19901-7305
(302) 739-4271
FAX: (302) 739-5749

CARVEL STATE OFFICE BUILDING
820 N. FRENCH STREET
WILMINGTON, DELAWARE 19801-3509
(302) 577-8477
FAX: (302) 577-8499

on a form acceptable to DEDO, the number and compensation level of all full-time permanent employees.

- TES agrees that after December 31, 2016, should its employment fall below 60 full-time employees for four consecutive months or if the operation is idle for four consecutive months, TES will pay DEDO \$8,000 per credit annually until the employment deficiency is cured. If the New Castle facility ceases operations permanently, DEDO will rescind this award and return the credits to the credit bank.
- TES agrees that the credits are to permit operation of extruder lines to manufacture uniform, compounded, engineering plastic pellets at 1600 Johnson Way, New Castle, DE and may not be sold or transferred in any manner to any other organization or utilized at any other location without the expressed written consent of DEDO. If DEDO does not approve a transfer, the credits will be returned to the credit bank.

If you need more information, please contact Jeff Stone at (302) 672-6849 or jeff.stone@state.de.us.

I appreciate your continuing investment in the State of Delaware and your efforts to preserve and enhance our environment and wish you continued growth and success in your operations.

Sincerely,



Alan B. Levin
Director

cc: David Small, Department of Natural Resources and Environmental Control
Ali Mirzakhali, Department of Natural Resources and Environmental Control
Phil Cherry, Department of Natural Resources and Environmental Control
Kevin Coyle, Department of Natural Resources and Environmental Control

On behalf of Techmer Engineered Solutions, I hereby acknowledge and accept the terms and conditions as detailed above.

By: _____
Name & Title Date